App. F. IX-4

PRESERVED

Previous References

1936. (93)

93 - File No. 262-86

Serial Nos. 1 - 2

Letter References.

Preserve / Private

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. two

P212-E

Part B for July (93)

SUBJECT.

Acceptance of the guarantee Company as Security for indemnity Bonds under the Security Rules

Re do. the Comptroller the Attorney General the Secretary for Posts & Telegraphs the Secretary for Agriculture & Lands the Commissioner for Mines & Geology & the Registrar of Companies No DL/57-115 dated 5th instant

WD 0.3607—GPB—22,500—2-3-35

GENERAL AND REVENUE SECRETARIAT.

( )

NOTES.

File No. 263-36

FILE HEADING.

Secretaries etc in Govt of India and Provincial Govts.

FROM H. Wright

No. 2698/34 Dated 29.4.36 Received 29.4.36

Diary No. 41/36	Enclos.	Spare copies	Serial No. 1

BRIEF ABSTRACT OF LETTER

Suggests that while the work of Indian, Civil Service also may accept the wish for greater Indianisation in view of Provincial autonomy and proposes that a Resolution of 22 Jan 1924 may be cancelled

NOTES AND ORDERS.

T.

1. The procedure obtaining in the Govt of India is described in the enclosure. T. The particular kind of Company Secretary should be stated clearly is also mentioned therein.

2. The proposal is perhaps worthy of sanction. The only Constitutional danger is the proper assessment of the standing of the Company. We have not the facility as it exists in British India. Whether any safeguard [illegible]

NOTES—First Sheet.

Security of a Guarantee Company for Redemption Bonds

General and Revenue Secretariat

File No. 263 of 1931.

is called for in this direction, & if so, in what lines, are for Consideration.

3 The Rules require no modification as such, for the reason that the Comptr. can exercise his discretion about the value of two sureties referred to in sections 15 & 22 of the Securities Regulations.

The Law Section may also be consulted if necy: From the point of view of the holders, this reform could prove perhaps a mighty boon. The provisions in Regn P may honestly be adopted here in toto.

Subs for orders.

JK Seey) 5/

MR 30/4/37

The proposal is 'prima facie' acceptable - Is there any reference to it in the Govt of India Securities' Manual? Is no change in the rules necessary

To Comptr with Compliments.

5/5-

MYS 994/Spl M 17-5-37

U.O.No. 2873/S L. Dated 13-5-37

Returned with compliments.

This procedure is not indicated in the Government of India Securities Manual and seems to be only in practice. No change in the Rules of the Mysore Securities Regulation appears necessary.

A copy of corresponding rules is herein closed.

Comptroller.

U.O No 94 dated 6.5.937 S.L.

COMPTROLLER'S OFFICE 1039/S/E - 6 MAY 1937 BANGALORE.

FINANCIAL SECRETARY MAY No.

6645/36
P

4.4.

General and Revenue Secretariat | G.P. File No. 263 of 1936. | [App. F. III—2

Serial No.

to Repn Para 6
(11 Fl Secy)
18/5-

17
May be approved after getting the opinion of the Law Section also.

24/5
18/5-

Law Sectt) 13

283
Law
BKR
25/5

(4 Rules 15 and 22 relate to Indemnity bonds. Under Rule 15, it is open to the Comptroller to demand one or two Sureties. But rule 22 seems to give no such option to the Comptroller. It requires the indemnity bond to be taken with two Sureties. For the purpose of this rule, it would therefore be difficult to say that the Surety of a single guarantee company would satisfy the requirements of the rule. In order to overcome this difficulty it would suffice a slight change in the said rule. For the words 'two Sureties' appearing at the end of the first sentence in Rule 22, the words 'one or two Sureties as may be directed' may be substituted. This change would vest the necessary discretion in the Comptroller

BKR
26.5.'37

Fin. Secy)
The suggestion involves an

NOTE—Contn. Sheet.

WD 0417—GPB—30,000—8-3-36

4145/37

G.F. File No. 263 of 1931. | General and Revenue Secretariat

Serial No.

amendment of Rule 22 of the Rules made under the Security Regulations with its immediate publication in the Gazette by way of previous sanction.

Both the Comptroller's Rules had no change of figures necessary in the rule. Vide para 5 above.

The Comptroller may be consulted.

(Fl Secy)

28/5/37

1/6

Comptroller with compliments)
1097/Sfpl 7.12.6.37.
S.L. no 4027 dated 12.6.37.

2461/82
S.L. 3/6.

COMPTROLLER'S OFFICE
1091/Sfpl
2 JUN 1937
BANGALORE.

3/6/37

Returned with compliments.

2. The Government of India have recognised the acceptance of Guarantee Companies, only by an administrative order and they do not appear to have made any change in the rules. Hence it was suggested, that the same practice could be followed here also.

The suggestion of the Law Department may be accepted as it will bring rule 22 also in consonance with the rule 15 (2) and empower the prescribed officer to accept the Surety of a single guarantee Company when this is considered suitable or - - desirable.

FIN. & NO.
12
No.

Comptroller.

15/6.

4142

Government of India

Rule 15 (2). The Controller of the Currency may direct that such indemnity bond shall be executed by the applicant alone or by the applicant and one or two Sureties as he may think fit or that in lieu of furnishing personal -- Sureties, the applicant shall furnish collateral security in the shape of Government Securities to be deposited with him for such amount and period as he may deem fit.

Rule 25 - An indemnity bond taken on the issue of a renewed converted consolidated or subdivided security shall be, as nearly as may be, in Form X. It shall be for twice the amount of the Security or Securities as the case may be and shall be executed by the applicant alone or by the applicant and one or two sureties as may be directed The applicant may also be allowed to deposit for such -- amount and period as may be considered fit, collecteral security in the shape of Government Securities instead of furnishing personal Sureties.

M.G. Narasimhachar
Superintendent
Comptroller's Office.

13/5/37

Security of a guarantee co. for indemnity bonds

4145/f

General and Revenue Secretariat — 97 File No. 263 of 1936. — [App. F. III—2

Serial No.

Subtd. for perusal. A draft is put up for orders

MM 17/6. Action will be taken separately regarding the amendment rule 22.

The draft is for approval ← MW 28/6

H Secy) MW 28/6

Hdwon MW 29/6

DEWAN'S OFFICE RECEIVED 30 JUN 1937 N 5991/f

TYPING 30 JUN. 1937. GENL SECTT.

MM 29/6

29-6-37

Issue MW 30/6

No: 59-119 ~~Fd 2~~ dt 1/5.7.37 to me Revenue Heads of Departments, Secretariat, HC(WS), D.C.s & Dists., Presidents of Municipalities & District Boards. Press Sahib.

Sanctioned

2

VB. MM 2/11

NOTE—Contn. Sheet.

WD 0417—GPB—80,000—8-9-36

C-2 26-3-46-9

FINANCIAL BRANCH 4145 29 APR. 1937 GEN. TO THE GOVERNMENT

In reply please quote reference No. 12698 S.L.

End 5 vols.

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

Bangalore, dated 27th April 1937.

FINANCIAL SECRETARY 28 APR. No.

FROM

A. N. RAGHAVACHAR, ESQ., M.A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

To

Rajasevanipuna
S. Shamanna, Esq., B.A.,
Financial Secretary to the Govt. of Mysore
B a n g a l o r e.

SIR,

I have the honor to state that Rules 15 and 22 issued under the Mysore Securities Regulation prescribe that Indemnity bonds should be obtained in certain cases before renewal of bonds and that such indemnity bonds should be executed by two personal Sureties also of certified solvency, unless parties offer other collateral securities in which case Sureties are dispensed with and this is the procedure now followed in this office.

The question was raised recently by a party whether the Surety of a recognised Insurance Company of Bombay will be accepted in lieu of personal Sureties, and he was replied in the negative. Copies of this correspondence are enclosed.

The Controller of Currency was thereupon requested in my office letter No.2386/S.L. dated 22-3-37 to intimate the procedure followed in British India Securities Act and he has replied in his letter No. C.C. 2294 dated 1-4-37 that the Surety of a guarantee Company is accepted and that personal Sureties are dispensed with in such cases. (Copies of the correspondence are also enclosed). I am of opinion that the procedure followed in respect of our Securities may be - -- modified similarly as this would not only be a facility for the bond holders but afford better protection also to the Government inasmuch as, the Surety of a recognised company would ordinarily be more - - valuable than of an individual person or two and recommend this --

suggestion for the sanction of Government. I request that orders of Government may be obtained in the matter.

I have the honor to be,
Sir,
Your most obedient servant,

Comptroller.

27.4.37.

Letter No. Fil dated 30-12-36 from P.A. Pimenta, Esq. B.A., LL.B., Solicitor, 3, Cherai, Thana, to the Comptroller to the Govt. of Mysore, Bangalore

---

Re. 5½ % Mysore Government Bonds for Rs 2000/- standing in the name of A, M. Pimenta - deceased

---

With reference to the previous correspondence herein ending with your letter of the 18th Instant. I beg to state that I have requested Messrs Royal Insurance Co. Ltd. of Church Gate Street, Bombay to stand Surety for me in execution of the Indemnity Bond and they have agreed to do so.

Please therefore let me know if execution of the indemnity Bond herein with Messrs Royal Insurance Co. Ltd. as Surety will serve your purpose. The other requisitions contained in your letter of the 18th Ultimo will be also attended to.

An early reply will oblige.

Copy

Superintendent
Comptroller's Office.

29.4.37

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE.

Immediate

50 27

General and Revenue Secretariat

Requisition for papers

Section G.7

A PRESERVED

B

Filed

Deposit No.

File No. 258-36.

Serial No. 1-4-

For Diary No. 5766 of 1942

Signature K M K Swamy

Branch Note

Section Law

Date 15/3.

Letter No. nil dated 14-1-37 from P.A. Pimenta, Esq B.A., LL.B., Solicitor, 3, Cherai, Thana to the Comptroller in Mysore, Bangalore.

Re. 5½ % Govt. Bonds for Rs 2000/- standing in the name of A. M. Pimenta - deceased.

I beg to refer you to my letter herein of the 30th Ultimo and shall thank you to let me know whether, besides the Surety proposed to be given by Messrs Royal Insurance Co. Ltd., you desire another Surety. According to the practice prevailing in the High Court at Bombay an Insurance Company is accepted in place of two suretiee.

Please therefore let me hear from you as early as possible.

Copy

M.A. Narasimhachar
Sup-rintendent
Comptroller's Office.

27.4.37

Letter No. 1861/S.L. dated 27-1-37 from the Comptroller to the Govt. of Mysore, Bangalore to the P.A. Pimenta, Esq B.A.,LL.B., Solicitor, 3, Cherai, Thana.

In reply to your letters dated 30-12-36 and 14-1-37 desiring to know if Messrs Royal Insurance Co. Ltd. of Bombay may stand as surety etc., I write to state that as the rules in force contemplate only personal sureties whose solvency has to be certified by a Magistrate or in the alternative collateral Security to the extent of the Indemnity Bond in the shape of other Government Promissory Notes or other liquid investments of the kind, it will be against the existing rules to recognise an Insurance Company as Surety. I shall therefore thank you to proceed with the Indemnity bond, either with personal sureties or collateral security as you may find suitable.

Copy

via Narasimhachar

Superintendent
Comptroller's Office.

27.4.37

Letter No. 2386/S-L- dated 22nd March 1937 from the Comptroller in Mysore, Bangalore, to the Controller of the Currency, The Treasury, Calcutta.

I have the honor to invite your kind reference to Rules 15 (2) and 28 of the Rules under the Indian Securities Act, prescribing Indemnity bonds in certain circumstances and to request you to be so good as to intimate whether the two Sureties contemplated therein, should be only individual persons of certified solvency or whether Insurance Companies, Banks or Companies are recognised as Sureties in lieu of individuals. If the reply is in the affirmative whether the Surety of a single Company is enough or should be along with another personal surety and how the solvency or otherwise of the Companies should be got certified and by whom and what the exact procedure followed by the Public Debt Office in such cases is, may kindly be intimated.

Thanking you,

Copy

M. Narasimhachar

Superintendent
Comptroller's Office.

27 4.37

Letter No. C.C. 2294 dated 1st April 1937 from the Controller of the Currency, Calcutta, to the Comptroller to the Govt. of Mysore, Bangalore

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With reference to your letter No.2386/S.L. dated the 22nd March 1937, I have the honor to state that if a party expresses his inability to furnish personal sureties, he is allowed to propose as surety a company, whose scope of business includes acting as sureties and execution of guarantee bonds. Companies other than guarantee companies are not recognised as sureties in view of the fact that the articles of association governing the constitution of such companies do not specifically contain provisions which would empower them to act as sureties for other parties. Ordinarily, a single company is accepted as sufficient and no further personal surety is demanded. In the case of old established guarantee companies, no enquiry as to the sufficiency or otherwise is made. But in the case of a new or little known company, an enquiry as to its solvency is made through collectors or through some other agency according to the requirements of the case.

Copy

M. Narasimhachar

Superintendent
Comptroller's Office.

27.4.37

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE.

Read:-

Letter No.2698/SL dated 27th April 1937 from the Comptroller to Government requesting for reasons stated sanction for the acceptance of surety of a guarantee company also as in British India in lieu of personal sureties for Indemnity Bonds required under Rules 15 and 22 of the rules issued under the Mysore Securities Regulation.

2. Correspondence ending with U.O.Note No.4027 dated 12th June 1937 from the Comptroller to Government.

Order No. Fe S 9-119/37-263 36-2

Dated, Bangalore, 1st July 1937.

S A N C T I O N E D.

K Venkata Rao
for Financial Secretary to Government.

To

The Comptroller to Government,

The Heads of Departments,
The
/Secretaries to Government,

The Deputy Commissioners of Districts,

The Presidents of Municipalities and
District Boards.

PRESS TABLE.

G. R. S. App. F VI—G 2]

SUBJECT .....

.....

.....

Diary No. of letter replied to .....

Section C.7

File No. 263-36

Serial No. C

General and Revenue Secretariat

( )

the *193*

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue 5/7/193 7.

Signed by M K V Rao

Read— Letter no 2698/SL dt 27-6-37 from the Comptroller to Govt requesting for reasons stated sanction for the acceptance of surety of a guarantee Company also as in British India in lieu of personal sureties for Indemnity Bonds required under Rules 15 & 22 of the rules issued under the Mysore Securities Regn.

~~Order thereon.—~~ No.

2. Govt's procedure ending with letter R.O note no 4027 dt 12-6-37 from the Comptroller to Govt

Order No. RLS 9-119

Sanctioned. [The Comptroller is requested to issue suitable amendment to Rule 22 of the Rules issued under the Mysore Securities Regn.]

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English Part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette Kannada Part ?

For order

To The Comptroller to Govt H. Secy to Govt Hdrs of Depts Secys to Govt Collectors & municipalities

M. Press Table

Government of his highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. Fl. 59-119—G. F. 263-36-2, dated 1st—5th July 1937.

Indemnity Bonds.

Acceptance of surety of a guarantee company in lieu of personal sureties for ——.

READ—

Letter No. 2698—S. L. dated 27th April 1937, from the Comptroller to Government, requesting for reasons stated, sanction for the acceptance of surety of a guarantee company also as in British India in lieu of personal sureties for Indemnity Bonds required under Rules 15 and 22 of the rules issued under the Mysore Securities Regulation.

2. Correspondence ending with U. O. Note No. 4027, dated 12th June 1937, from the Comptroller to Government.

ORDER No. FL. 59-119—G. F. 263-36-2, DATED BANGALORE, THE 1ST—5TH JULY 1937.

Sanctioned.

S. SHAMANNA,
Secretary to Government,
Financial Department.

To —The Comptroller to Government.
The Heads of Departments.
The Secretaries to Government.
The Deputy Commissioners of Districts.
The Presidents of Municipalities and District Boards.
PRESS TABLE.

Exd.—C. K.

WD 39—GPB—510—13-7-37